

VZCZCXYZ0000
PP RUEHWEB

DE RUEHLP #1516/01 1562029
ZNR UUUUU ZZH
P 052029Z JUN 06
FM AMEMBASSY LA PAZ
TO RUEHC/SECSTATE WASHDC PRIORITY 9450
INFO RUEHAC/AMEMBASSY ASUNCION 5893
RUEHBO/AMEMBASSY BOGOTA 3205
RUEHBR/AMEMBASSY BRASILIA 7054
RUEHBU/AMEMBASSY BUENOS AIRES 4308
RUEHCV/AMEMBASSY CARACAS 1601
RUEHPE/AMEMBASSY LIMA 1593
RUEHMN/AMEMBASSY MONTEVIDEO 3821
RUEHQD/AMEMBASSY QUITO 4235
RUEHSG/AMEMBASSY SANTIAGO 8781
RHEHNSC/NSC WASHINGTON DC
RHEBAAA/DEPT OF ENERGY WASHINGTON DC
RUCPDOC/DEPT OF COMMERCE WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHINGTON DC

UNCLAS LA PAZ 001516

SIPDIS

SENSITIVE
SIPDIS

STATE FOR WHA/AND
TREASURY FOR SGOOCH
ENERGY FOR CDAY AND SLADISLAW

E.O. 12958: N/A
TAGS: PGOV PREL ECON BL
SUBJECT: AMBASSADOR'S MEETING WITH DORIA MEDINA

REF: A. LA PAZ 1418

1B. LA PAZ 1337

11. (SBU) Summary: Ambassador met May 30 with National Unity (UN) party leader Samuel Doria Medina, who predicted that President Morales' Movement Toward Socialism (MAS) party would win 50 to 55 percent of the vote for the Constituent Assembly elections in July, while the UN and Podemos would split the remaining vote. He lamented Venezuelan influence in Bolivia, but said it was counterproductive to attack Hugo Chavez, who was viewed as a hero by a majority of the Bolivian public. He added that Venezuelan "largesse" to Bolivia would actually benefit Venezuela and enable it to gain greater access to the Brazilian market. Doria Medina expressed surprise at the extent of Cuban activism in Bolivia, which he recently witnessed during a visit to a village four hours outside of La Paz. He argued that the GOB's biggest concerns were Santa Cruz opposition and economic stability, which could be threatened by large landowners/bank owners if the GOB pushed land reform. He suggested that the U.S. continue to respond calmly and patiently to the Morales administration, but define its position on key bilateral issues. End summary.

Constituent Assembly Elections

12. (SBU) Former presidential candidate and leader of the opposition National Unity (UN) party, Samuel Doria Medina, told the Ambassador on May 30 that the UN has contracted the same U.S. consulting firm used by former President Gonzalo "Goni" Sanchez de Lozada in his 2002 campaign. Doria Medina predicted that President Evo Morales' party, the MAS, would get between 50 and 55 percent of the vote in July's Constituent Assembly elections, but would not reach the two-thirds that would be required to railroad the Assembly. He was optimistic that the opposition parties, UN and Podemos, could win up to a combined 50 percent of the vote, and added that UN support had grown during May according to polls.

Venezuelan Influence

¶ 13. (SBU) Doria Medina stated that the strong Venezuelan interference in Bolivian affairs demonstrated by Venezuela's actions during the MAS' May 26 Constituent Assembly campaign launch (ref A) was not good for the country. However, he thought that Podemos leader Jorge "Tuto" Quiroga's attacks on Hugo Chavez were counterproductive for Podemos, as the majority of the Bolivian people regard Chavez as a hero.

¶ 14. (SBU) Doria Medina postulated that Chavez' increasing involvement in Bolivia was due to his desire to gain greater access to the Brazilian market. He asserted that Chavez was self-interested and that Venezuela's recent pledges to buy Bolivian bonds and offer Bolivia large lines of credit were not charitable, but rather profitable deals for Venezuela, as had been Venezuela's buying of Argentine bonds during its financial crisis a few years back.

Cuban Propaganda

¶ 15. (SBU) Doria Medina said that he had visited a small village four hours outside of La Paz (Quime) and been struck by the degree of Cuban activism. He explained that two Cuban doctors working in the village were distributing pamphlets on the MAS party in general, the Cuban Constitution, the salaries of the oil and gas company executives in Bolivia, opposing departmental autonomy, and contending that President Bush, not Osama Bin Laden, is a terrorist.

The Biggest Thorns in the GOB's Side

¶ 16. (SBU) Doria Medina said that the most serious GOB concerns were Santa Cruz and economic stability. He commented that the GOB's proposed land reform policy (ref B) was creating hostility among large landowners in the East, who also own the nation's banks. He said that the GOB feared that pushing land reform could cause these landowners to instigate bank runs and create economic instability.

U.S. Policy

¶ 17. (SBU) Doria Medina told the Ambassador that the U.S. should continue to respond to the Morales administration in a calm and patient manner, but should define its position on important bilateral issues. He argued that the suspension of ATPDEA trade benefits at the end of the year would not have a large impact on the Bolivian economy in the short term because of high gas export prices.

Comment

¶ 18. (SBU) As compared to Jorge "Tuto" Quiroga, Doria Medina, himself a candidate for the Constituent Assembly, is playing a more personal opposition role. While open and friendly with the Embassy in private, Doria Medina understands the political value of taking occasional pot shots at the U.S. During a Constituent Assembly debate on June 2, he lamented Venezuelan interference in Bolivian affairs, comparing Chavez's influence over Morales to past U.S. influence over Tuto Quiroga and Gonzalo Sanchez de Lozada. END COMMENT.
GREENLEE